



INVESTIGATIVE REPORT

Lori Torres, Inspector General

OFFICE: INDIANA NATIVE AMERICAN INDIAN AFFAIRS COMMISSION (INAIAC)
TITLE: INAIAC, CONFLICT OF INTERESTS
CASE ID: 2016-10-0201
DATE: AUGUST 8, 2017

Inspector General Staff Attorney Matt Savage, after an investigation by Special Agent Mike Mischler, reports as follows:

The Indiana General Assembly charged the Office of Inspector General (OIG) with addressing fraud, waste, abuse, and wrongdoing in agencies. IC 4-2-7-2(b). The OIG also investigates criminal activity and ethics violations by state employees. IC 4-2-7-3.

On October 2, 2016, the OIG received a complaint through its hotline alleging a conflict of interests within the Indiana American Indian Affairs Commission (INAIAC). The reporting party claimed that Kerry Steiner, INAIAC's Executive Director, participated in a decision that resulted in a contract award to the American Indian Center of Indiana (AICI), a nonprofit organization with which Steiner is associated. Special Agent Mike Mischler led the OIG's investigation.

During the course of the investigation, the OIG received two additional hotline complaints from another individual. Although the complaints primarily involved personnel matters within INAIAC, which the OIG did not investigate, the second reporting party mentioned that Steiner worked on behalf of AICI instead of INAIAC commissioners. The OIG merged these hotline reports with its open investigation. Agent Mischler conducted interviews and examined documents including emails, INAIAC agendas, INAIAC minutes, a memorandum of understanding (MOU), and a contract.

INAIAC is created by IC 4-23-32 to study and make recommendations pertaining to problems common to Native American Indian residents of Indiana. The statute requires the Indiana Civil Rights Commission (ICRC) to provide staff and support to INAIAC, and Steiner is employed by ICRC as INAIAC's Executive Director.

AICI is a private organization that provides workforce development, health outreach, and cultural education services to the American Indian community. According to AICI's Executive Director, Steiner previously served on the AICI board before she moved out of the State approximately six years ago. After returning to Indiana and accepting the INAIAC Executive Director position, Steiner volunteered with AICI. She currently volunteers by updating AICI's website and serving as editor of its quarterly newsletter, and she receives no compensation for this work. Steiner is not a member of AICI, which does not have membership apart from the board on which Steiner no longer serves.

The OIG's investigation revealed a MOU between INAIAC and AICI. The MOU is related to a scholarship program administered by INAIAC and provides that AICI will distribute, receive and screen scholarship applications before forwarding them to INAIAC for selection. Pursuant to the MOU, AICI receives no compensation for this work.

The Family and Social Services Administration's Division of Mental Health and Addiction (DMHA) entered into a contract with AICI in July 2016. The contract required AICI to cooperate with DMHA and INAIAC to develop educational material and conduct surveys related to substance abuse in the Native American population, but INAIAC was not a party to the contract. The contract required DMHA to pay AICI \$8,500 for this work. This was a sole source contract and was not competitively bid. DMHA justified the sole source contract in its request for a special procurement by the fact that AICI's Executive Director previously collected similar data

for the Indiana Minority Health Coalition and by Steiner's suggestion that AICI's Executive Director was the most likely vendor for this work.

The DMHA employee who managed DMHA's contract with AICI (the Contract Manager) reported that two of her colleagues at DMHA initially referred her to AICI's Executive Director because her colleagues knew that AICI was an organization that worked on Native American Indian affairs. The Contract Manager also contacted other resources, such as her peers in other states, but she received no other suggestions on who could perform survey work in the Native American community. The Contract Manager later approached Steiner for input, and Steiner confirmed to the Contract Manager that Steiner knew AICI's Executive Director and that AICI's Executive Director would be a good person to work with. The Contract Manager later approached AICI and executed the contract without additional input from Steiner.

The Contract Manager said she kept Steiner apprised of the process because she wanted Steiner to be involved and believed the INAIAC would benefit from the needs assessment data. Steiner attended two survey development meetings with the Contract Manager, AICI's Executive Director, and other DMHA employees, which occurred after DMHA and AICI executed the contract. These meetings focused on developing the survey's content, and decisions made at the meetings did not affect the contract's deliverables or AICI's compensation. AICI's Executive Director reported to the Contract Manager as he conducted the surveys, and Steiner did not have oversight of AICI's or its Executive Director's performance under the contract.

This investigation did not reveal substantial evidence of a violation of IC 4-2-6-9, the Code of Ethics Conflict of Economic Interests rule. Although Steiner volunteers for AICI, she is not clearly a "member" of AICI. The investigation revealed that Steiner's involvement in DMHA's decision to contract with AICI was limited to communicating to the Contract Manager that she

knew AICI's Executive Director and that AICI's Executive Director would be a good person to work with. Steiner's involvement in survey development meetings occurred after DMHA contracted with AICI and did not involve decisions or votes in which AICI had a financial interest. Furthermore, the OIG's investigation did not find evidence of any other Code of Ethics or criminal code violations.

As a result, the OIG is closing this investigation for insufficient cause. Should additional information be brought forward, the OIG will evaluate it for further action.

Dated: August 8, 2017

APPROVED BY:

A handwritten signature in black ink that reads "Lori Torres". The signature is written in a cursive style with a long horizontal stroke at the end.

Lori Torres, Inspector General